



## ACTUAL SURPLUS RESULTS FOR FISCAL YEAR 2001

Fiscal year 2001 marks the fourth consecutive year of a balanced Federal budget. The \$127-billion surplus recorded by the Treasury for the fiscal year (which ended on September 30) is \$59 billion lower than the \$186 billion surplus anticipated by the congressional budget resolution (H.Con.Res. 83). *Virtually all of the decline in the actual surplus is attributable to economic and technical revisions that result from the economic slowdown.* As shown on the table below, economic and technical changes account for \$90 billion of the diminished surplus, with \$23 billion of that amount occurring after the Congressional Budget Office [CBO] delivered its most recent surplus estimates in August.

Legislative actions, by contrast, have reduced the surplus by a smaller amount than was anticipated in the budget resolution. Including spending in the fiscal year's final weeks, in response to the terrorist attacks of 11 September, legislation enacted since adoption of the budget resolution has cost \$13 billion less than expected. The lower amount results principally from the nature of the tax relief enacted in

May. The budget assumed that tax legislation would return \$85 billion of the tax overcharge in the form of rebates that would be scored as outlays. The bill signed by the President, however, included \$74 billion in tax law changes, with \$70 billion of that amount scored as revenues (of which \$33 billion came from a shift of payment dates for certain corporate taxpayers). Put another way, the reduction in the surplus that resulted from refunding tax overpayments was smaller than the decline in the surplus that can be attributable to economic and technical factors.

This slowdown in revenue collections can be expected to continue in the current fiscal year. Earlier this month, the House and Senate Budget Committees estimated – on a bicameral and bipartisan basis – that the slowing economy would reduce the fiscal year 2002 surplus by \$80 billion, mainly through lower revenue collections. Official estimates for 2002 and subsequent years will be provided by the CBO in January (and by the administration's Office of Management and Budget in February).

**FISCAL YEAR 2001 TOTALS COMPARED TO THE BUDGET RESOLUTION**  
(in billions of dollars)

	Revenues	Outlays	Surplus	Debt Repayment
Budget Resolution <sup>a</sup>	2,135	1,948	186	167
Adjustment for actual legislation	-70	-86	16	16
Economic/technical changes through August	-54	-5	-49	-67 <sup>b</sup>
CBO August Estimates	2,011	1,858	153	116
Emergency spending		3	-3	-3
Final economic and technical changes	-20	3	-23	-23
Final Budget Results <sup>c</sup>	1,990	1,863	127	90

NOTE: Figures may not add to totals because of rounding.

<sup>a</sup> As proposed in the conference report on H.Con.Res. 83.

<sup>b</sup> Includes increased borrowing for Federal credit programs identified in the President's budget.

<sup>c</sup> As released in the September 2001 Monthly Treasury Statement of Receipts and Outlays of the United States Government.

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and therefore may not reflect the views of all the committee's members.